

# Electronically Recorded

Official Public Records

Tarrant County Texas

2008 Jun 13 02:03 PM

Fee: \$ 28.00

Submitter: SIMPLIFILE

D208227194

4 Pages

*Suzanne Henderson*

Suzanne Henderson

**NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE THE FOLLOWING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**Producers 88 (7-69) Paid Up  
With 640 Acres Pooling Provision**

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5 day of May, 2008, between **United States Postal Service**, Lessor (whether one or more), whose address is: **P O Box 667180, Dallas, Texas 75266-7180** and **XTO Energy Inc.**, whose address is: **810 Houston St., Fort Worth, Texas 76102**, Lessee, WITNESSETH:

1. Lessor, in consideration of Three Hundred Eighty Two Thousand Seven Hundred Seventy Five and 21/100 Dollars (\$382,775.21) and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, casinghead gas and other related gaseous or liquid hydrocarbon by-products. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

31.11 acres, more or less, Blk.2 Lot 1 of J. Bruner Subdivision, a part of the David Odom Survey, Abstract No. 1184, Tarrant County, Texas according to Plat recorded in Volume 388-165, Page 63, Plat Records, Tarrant County, Texas and a 10 acre tract of land out of the D. Odum Svy., A-1184, City of Fort Worth, Tarrant County, Texas, said 10.00 acre tract being more particularly described by metes and bounds in that certain Special Warranty Deed to the United States Postal Service recorded in Volume 13532, Page 128 Deed Records of Tarrant County, Texas.

This is a non-development Oil, Gas Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or any part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's land for any operations. This clause shall take precedence over any references to surface operations contained within the preprinted portion of this lease.

### SEE EXHIBIT "A" FOR ADDITIONAL PROVISIONS

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 41.11 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 25% of such gas and casinghead gas or other liquid or gaseous hydrocarbons. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$100.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in such bank as directed by Lessor, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same. Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder shall be made by check mailed to Lessee at the address set forth in the granting clause above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

D208227194

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recomputing, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, casinghead gas or other liquid or gaseous hydrocarbons, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, from said land in all operations hereunder.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

10. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. As a result of land development in the vicinity of the lease premises, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on the lease premises or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of the lease premises or off of lands with which the lease premises are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under the lease premises or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on the lease premises. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

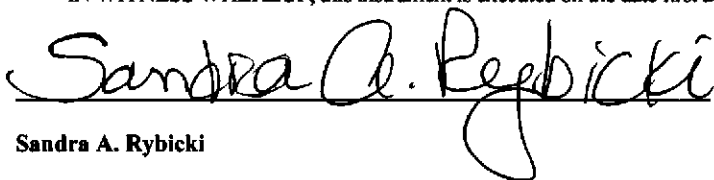
13. Anything to the contrary herein notwithstanding, this lease does not grant to Lessee any rights whatsoever, express or implied, to go upon or use any portion of the surface of the Leased Premises for any purpose hereunder. No wells will be drilled, and no facilities of any kind (including, but not limited to, roads, pipelines, flow lines, water reserve pits, tank batteries or treaters) will be placed on the surface of the Leased Premises.

14. Notwithstanding anything to the contrary contained in this lease, should a shut-in royalty payment not be properly made in a timely manner as provided for in this lease, Lessor may, at Lessor's option, elect to terminate the applicable portion of this lease by sending written notice to Lessee by certified mail; provided that, Lessee shall then have thirty (30) days from the date of receipt of such written notice in which to avoid termination of the applicable portion of this lease by making or causing to be made the proper shut-in royalty payment. If such shut-in royalty payment is not made on or before the expiration of said thirty (30) day period, Lessor may elect to terminate the applicable portion of this lease by filing a Notice of Termination with the County Clerk in the county where the lease premises are located. The effective date of said termination shall be the date said Notice of Termination is filed with the said County Clerk.

15. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.

16. See attached addenda for Paragraphs 16 through 23.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.



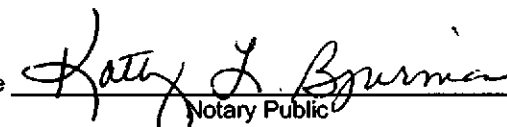
Sandra A. Rybicki

Contracting Officer, United States Postal Service

STATE OF Texas }  
COUNTY OF Dallas } ss.

(ACKNOWLEDGMENT FOR CORPORATION)

This instrument was acknowledged before me on the 5th day of May, 2008, by Sandra A. Rybicki, as Contracting Officer, United States Postal Service, on behalf of said corporation.

Signature  Notary Public  
Printed KATHY L. BJURMAN

My commission expires:

Seal:



## EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE BY AND BETWEEN THE UNITED STATES POSTAL SERVICE, LESSOR, AND XTO Energy Inc., AS LESSEE, DATED April 4, 2008, 2008.

16. It is understood and agreed that Lessee and its assigns shall not conduct any drilling operations on the leased property and this Lease is to be used for pooling or unitization purposes only. Notwithstanding any provision of this Lease, Lessee or its assigns shall not in any way or manner interfere with the possession or utilization of the surface estate of Lessor, or any other Tenant thereof, or utilize the surface estate of Lessor for any purpose under this Lease.

17. If Lessee should elect to exercise its right to pool as provided under Paragraph 4, Lessee agrees to include the entirety of the property covered by this Lease in said pool or unit, and may not include only a portion of the leased property within said pool or unit.

18. Notwithstanding anything contained herein to the contrary, neither Lessee nor Lessee's assigns shall ever require a subordination, partial release of lien, release of lien, consent or other documentation from any lender of Lessor that has a lien on said land as a condition to Lessor receiving any subsequent royalty payment, unless the wellbore penetrates the leased premises or is located within 330 feet from the leased premises, in which case Lessee shall notify Lessor. However, Lessor will cooperate with any reasonable effort of Lessee, at Lessee's sole expense, to obtain same from Lessor's lender on behalf of Lessor. In the event Lessee is hereby permitted to discharge any tax, mortgage, or other lien or interest and other charges on the leased premises, and in the event Lessee does so, Lessee will have the option of applying the royalties accruing to Lessor toward payment of same and Lessee shall be subrogated to the rights of the holder thereof. In the event Lessee must exercise its discharging rights herein granted, Lessee shall provide prior written notice to Lessor. Notwithstanding the above, it is recognized that the Lessor, United States Postal Service is an independent establishment of the executive branch of the Government of the United States. Therefore, liens are not effective against this property while owned by the United States Postal Service.

19. Notwithstanding any provisions of this Lease, Lessee recognizes and agrees that Lessee has investigated Lessor's title to said land and shall be solely responsible for the accuracy of the legal description thereof, and Lessor's ownership therein, and Lessor assumes no liability whatsoever relative to such matters. Should it be determined by title opinion or court decision that Lessor owns less than 100% of the minerals under the leased tract and title to the outstanding interest shall be made available for sale to Lessee, Lessee agrees to give the United States Postal Service the right of first refusal to purchase said outstanding interest under the leased property. Any outstanding interest so purchased by the Lessor shall immediately become subject to the terms and conditions of this lease if same is still in effect at the time of purchase by Lessor. **If it is determined by title opinion, court case or other proceedings that Lessor owns less than 100% of the minerals under the properties covered by this Lease, Lessor shall not be required to reimburse Lessee for any "excess" bonus money or royalties which may have been tendered by Lessee to Lessor prior to said determination. By acceptance of this Oil & Gas Lease, Lessee agrees that it has reviewed the records of the County in which the leased property is located and has satisfied itself that the properties are not presently covered by a previously existing Oil & Gas Lease. Lessor shall not incur any liability or suffer any damages as a result of said pre-existing Lease. This indemnification by Lessee shall extend to Lessee's successors or assigns. If it is determined that there is a pre-existing Lease on the subject property, then this Lease shall be treated as a top lease who's base term shall continue for a period of two years beyond the filing of a Release of Lease of the pre-existing Lease in the County Records by the holder of said pre-existing Lease.**

20. Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee shall have no right to maintain this lease in force after the expiration of the primary term hereof by payment of shut-in gas royalty under the provisions of printed Paragraph 3 for any period exceeding twenty-four (24) consecutive months.

21. Two (2) years following the expiration of the primary terms of this lease or upon the expiration of any extension or renewal of the primary term, whichever occurs last, Lessee shall release all rights lying one hundred feet (100') below the stratigraphic equivalent of the base of the deepest formation drilled; provided, however, if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this lease shall remain in full force and effect as to all depths so long as no more than ninety (90) days elapse between said operations. Upon termination of this lease as to any depths not maintained by production, continuous operations or by payment of shut in royalties as provided elsewhere in this agreement, Lessee shall timely file of record in the County in which the subject properties are located, a Release of Oil & Gas Lease effective as to all depths 100 feet below the stratigraphic equivalent of the then deepest producing horizon of any well with which the leased premises are pooled or unitized.

22. Irregardless of language contained elsewhere in this Lease, shut-in royalty payments shall be \$100.00/acre covered by this lease. Payment with respect to a well will be due within 180 days after the well is shut-in. All subsequent Shut-in Royalty payments shall be due upon the anniversary date of the first Shut-In Royalty payment.

23. Hold Harmless: Lessee agrees to indemnify, and hold Lessor harmless from all claims, fines, or penalties, including but not limited to governmental or administrative cleanup or compliance orders, which result or are related to lessee's operations on the premises.

Signed for Identification: KPS

Edwin S. Ryan, Jr.

XTO Energy Inc.

BY: EDWIN S. RYAN, JR.

SR. Vice President - Land Administration

United States Postal Service

Sandra A. Rybicki

BY: Sandra A. Rybicki

Contracting Officer